

**DOCKETED**

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*Comment Received From: Nehemiah Stone*  
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**One good idea**

*Additional submitted attachment is included below.*

Comments on improving Compliance with HVAC Changeouts  
July 25, 2018

Dear Judy and Lea,

I was not able to attend the June 29<sup>th</sup> workshop, but I read through the entire transcript

I kept looking for *new* nuggets.

As background, I led the Compliance Improvement Advisory Committee under contract with PG&E. At that time, I was part of a team that wrote a paper on this very subject. I interviewed installers and distributors. Others on the writing committee interviewed other market actors (including Mr. Mahoney). With the exception of one suggestion in the June 29<sup>th</sup> transcript, all the other ideas had been discussed at that time.

I had also been a part of the WHPA with Kristin, Barbara, and Bob. Again, other than that one idea, nothing surfaced on June 29<sup>th</sup> that had not been discussed at length at WHPA.

Furthermore, the topic of HVAC change-out compliance is not new to the CEC either. We discussed it ad nauseum when I was staff at the Commission two decades ago. A lot, but not all, of the ideas from June 29<sup>th</sup> were on the table even back then.

The one idea that I read in the transcript that I had not heard before, was one that Scott Blunk raised about the City of Davis. He said that when he had been a contractor, every homeowner he dealt with in Davis wanted to make sure he pulled a permit. ...and none of the homeowners he dealt with elsewhere wanted him to. The difference being that Davis requires a Building Department inspection at time of sale and imparts penalties for work that has been done w/o a permit. Scott's experience, though anecdotal, is pretty good evidence that that strategy will work.

I have long been a proponent of the serial number tracking system, but am no longer quite as confident. One thing I have learned over the years is that as soon as you make something foolproof, along comes a better fool. IOW, if the contractors incentives to cheat (needing to choose between putting food on the table or getting a permit) remain the same, crafty distributors, contractors, and unlicensed installers will find a way around the tracking system's safeguards. As a few presenters said, the only real way to effect the change you want is to change the buyers' (homeowners') incentives and calculations. As a fee for a BD inspection on top of the other closing costs, \$200-\$400 to the BD for the Davis-style inspection would be inconsequential and generate little resistance (note exception below). On the other hand, having a sale delayed or having to have an engineer validate proper installation after the fact because no permit was pulled at the time, is a bigger deal.

The only real barrier I see to making the City of Davis strategy work statewide is the California Association of Realtors (CAR). When, as a contract consultant, I was helping the CEC discover and

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understand barriers to increased uptake of efficiency upgrades in the existing home market (AB758 work), one idea floated was requiring an *energy efficiency opportunities audit* at time of sale. CAR came unglued and utilized their considerable sway with the Legislature to completely quash that idea. I suspect they would apply equal pressure against implementing Davis' solution to this problem, so you'd have to be prepared for that fight.

Sincerely,

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